



City of Seattle
Office of the Mayor

March 8, 2010

The Honorable Richard Conlin
President, Seattle City Council

The Honorable Jean Godden
Chair, Seattle City Council Finance Committee

Seattle City Hall, 2nd Floor
Seattle WA 98124

Dear President Conlin and Councilmember Godden:

This letter describes my proposal for organizing many of the City's financial, vehicle management, and facility maintenance functions. In these challenging financial times, this plan is designed to ensure that the City's budgetary, financial and administrative functions are prudently managed.

There are three main components to this proposal. First, I will submit legislation which would create a City Budget Office (CBO). The CBO would have responsibility for many of the functions which are currently managed by the Department of Finance. Specifically, CBO would have the responsibility to develop our fiscal strategies, including strategies for spending, revenues, and the use of debt. In addition, CBO would have the responsibility for oversight and monitoring of departments' spending and revenues, and the authority to transfer resources between budget control levels.

Second, the Department of Executive Administration, the Fleets and Facilities Department, and some functions currently assigned to the Department of Finance would merge into a new Department of Finance and Administrative Services (FAS). Financial functions in FAS would include policy setting and/or oversight of investments and borrowing, treasury operations, accounting, pension boards, tax administration, and, in close collaboration with CBO, oversight of the forecasting of the City's key revenues (sales, business & occupation, property and utility taxes).

Third, the financial functions in FAS would be managed by a Deputy Director who would report to the FAS Director. This deputy would assume the responsibilities as specified in the City's Charter and several provisions of Seattle's Municipal Code for the Director of Finance.

In addition, the deputy would assume the management responsibility of the work of three divisions of FAS: Accounting Services, Treasury Services, and Revenue and Consumer Affairs.

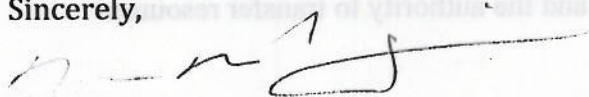
My intention is to nominate Beth Goldberg as Director of the City Budget Office, Fred Podesta as the Director of the Finance and Administrative Services Department, and Glen Lee as the Director of Finance. I will ask these three individuals to immediately begin serving in these roles on an acting basis.

To implement this proposal, I recommend that we complete the following tasks in roughly this order. First, we follow the appropriate legal protocol to appoint Mr. Podesta, Ms. Goldberg, and Mr. Lee to their positions on an interim basis. These appointments would provide management clarity to City staff and stability to City business processes associated with these departments.

Next, I will submit for Council consideration ordinances to create the new City Budget Office and reorganized Department of Finance and Administrative Services. When Council had voted on this legislation, I will request that Council also confirm Ms. Goldberg, Mr. Lee, and Mr. Podesta to their respective offices.

Thank you for considering this proposal. I believe it establishes a strong and sound foundation for managing the City's fiscal affairs, including fleet and facilities management. If you have any questions about this proposal, please contact Ethan Raup, Mr. Podesta, or Ms. Goldberg.

Sincerely,



Mike McGinn
Mayor